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WASHINGTON POST  
22 JULY 1981

# McNell Brothers Missing; Company Begins Scanning the Books

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The directors of a small New York energy company yesterday began reconstructing their financial and travel expense records in search of clues to the whereabouts of their missing president, Samuel F. McNell, and his brother, Thomas R. McNell, whose allegations last week caused the resignation of a top CIA official.

Among the findings so far, said Drury Gallagher, the director temporarily in charge of the company, have been credit-card receipts showing that the McNells traveled to Zurich, Switzerland, in May and June for unspecified reasons.

Also, according to Gallagher, part of the company's \$2.5 million in liquid assets was transferred out of certificates of deposit in April into accounts that could not be located immediately.

Gallagher, who said he had been designated acting chief executive of the oil-and-gas drilling concern in an emergency directors' meeting Monday night, added that the company, Triad Energy Corp., has asked bank officials to produce statements of the company's accounts and recent transactions on those accounts.

He said this process had run into delays because bank signature cards were in the name of Samuel McNell. Bank officials have required authorizing resolutions from the full board to retrieve the records from microfilm, Gallagher said.

He said he expects to have an answer on the state of the company's financial affairs in "a couple of days." Gallagher said concern centers on the company's stability, not any physical jeopardy for the McNells.

The McNell brothers' allegations against CIA clandestine service chief Max Hugel were published last week in The Washington Post. They charged that Hugel engaged in improper or illegal stock-trading practices to boost the stock of Brother International Corp., a wholesale dis-

tribution firm headed by Hugel from 1954 to 1975.

To buttress their allegations, the McNells produced 16 secret tape recordings of some of their conversations with Hugel in 1974 and 1975, as well as some of their confidential business records.

Hugel resigned hours after the charges were published in The Post, but he denied them as "unfounded, unproven and untrue." The charges are under review by the Senate Intelligence Committee, which is also investigating CIA security clearance procedures that failed to turn up Hugel's business relationship with the McNells, who acknowledged their own culpability in the improper stock practices.

Gallagher of Triad Energy Corp. said the firm's situation is "too sketchy and too speculative. We need answers. If any corporate funds have been moved out, we can't tell, we don't have the records. The money could be sitting in a bank across the street."

Gallagher said he and other directors have not been able to locate the company's books and ledgers, and that the company's accountant had not been allowed to review the books during the past three months.

Gallagher emphasized that he and fellow directors were making no allegations against the McNells, but that they were deeply troubled by the continued absence of Samuel McNell.

"I've known these guys for over 20 years," he said. "These are buddies

of ours . . . . But the guy [Samuel McNell] is missing. Why is he missing?"

Triad officials announced Monday that they have asked for a suspension in the trading of the company's over-the-counter stock because of the disappearance of Samuel McNell, who last contacted Triad officials last Wednesday, according to Gallagher. Samuel McNell agreed to meet with Triad's lawyers and other directors last Friday in New York, but did not show up for the meeting, Gallagher said.

Thomas McNell, in a Friday telephone call to The Post in connection with the Hugel episode, said he and his brother were at an undisclosed location in the United States and that they were remaining inaccessible deliberately.

Meanwhile, Samuel McNell's wife, Margaret, said yesterday in a telephone interview from her New Jersey home that, "I know as little or possibly less than you."

She said that she and McNell were separated about five weeks ago. "I really don't know what to think about the whole thing. I have no idea about his business, but then, I didn't know anything about his business for 20 years."

A woman friend of Thomas McNell said she had not heard from him in about a month. "I don't know anything," she said yesterday from her Manhattan office. "I'm pretty upset myself. It's a mystery to everybody."